

### **132.010 Definitions for chapter.**

As used in this chapter, unless the context otherwise requires:

- (1) "Department" means the Department of Revenue.
- (2) "Taxpayer" means any person made liable by law to file a return or pay a tax.
- (3) "Real property" includes all lands within this state and improvements thereon.
- (4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.
- (5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve (12) months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state.
- (6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent (\$0.001) per one hundred dollars (\$100) of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.
- (7) "Net assessment growth" means the difference between:
  - (a) The total valuation of property subject to taxation by the county, city, school district, or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and
  - (b) The total valuation of property subject to taxation by the county, city, school district, or special district for the current year.
- (8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:
  - (a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction; however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one (1) school district to another;
  - (b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;
  - (c) The value of improvements to existing nonresidential property;

- (d) The value of new residential improvements to property;
- (e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;
- (f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator, the value of such property as a farm shall be a deletion from that category;
- (g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;
- (h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided; and
- (i) The value of improvements to real property previously under assessment moratorium.

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

(9) "Agricultural land" means:

- (a) Any tract of land, including all income-producing improvements, of at least ten (10) contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber;
- (b) Any tract of land, including all income-producing improvements, of at least five (5) contiguous acres in area commercially used for aquaculture; or
- (c) Any tract of land devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government.

(10) "Horticultural land" means any tract of land, including all income-producing improvements, of at least five (5) contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers, or ornamental plants.

(11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

- (a) Relative percentages of tillable land, pasture land, and woodland;
- (b) Degree of productivity of the soil;

- (c) Risk of flooding;
  - (d) Improvements to and on the land that relate to the production of income;
  - (e) Row crop capability including allotted crops other than tobacco;
  - (f) Accessibility to all-weather roads and markets; and
  - (g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.
- (12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.
- (13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings, and all other land connected thereto.
- (14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.
- (15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.
- (16) "Mobile home" means a structure, transportable in one (1) or more sections, which when erected on site measures eight (8) body feet or more in width and thirty-two (32) body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee, or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure.
- (17) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: travel trailer, camping trailer, truck camper, and motor home.
- (a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.
  - (b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.
  - (c) Truck camper: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor,

and sides, designed to be loaded onto and unloaded from the bed of a pick-up truck.

- (d) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.
- (18) "Qualifying voluntary environmental remediation property" means real property subject to the provisions of KRS 224.01-400 and 224.01-405 for which the Environmental and Public Protection Cabinet has made a determination that:
- (a) The responsible parties are financially unable to carry out the obligations in KRS 224.01-400 and 224.01-405; and
  - (b) The property was acquired after January 1, 2005, by a bona fide prospective purchaser as defined in 42 U.S.C. sec. 9601(40).
- (19) "Intangible personal property" means stocks, mutual funds, money market funds, bonds, loans, notes, mortgages, accounts receivable, land contracts, cash, credits, patents, trademarks, copyrights, tobacco base, allotments, annuities, deferred compensation, retirement plans, and any other type of personal property that is not tangible personal property.

**Effective:** January 1, 2006

**History:** Amended 2005 Ky. Acts ch. 85, sec. 169, effective June 20, 2005; and ch. 168, sec. 54(18) effective January 1, 2005, and sec. 54(19), effective January 1, 2006. -- Amended 2002 Ky. Acts ch. 198, sec. 1, effective July 15, 2002. -- Amended 1994 Ky. Acts ch. 263, sec. 2, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 397, sec. 1, effective July 14, 1992. -- Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 306, effective July 13, 1990. -- Amended 1965 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 11. -- Amended 1984 Ky. Acts ch. 111, sec. 72, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 327, sec. 5, effective July 15, 1982; and ch. 395, sec. 1, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 319, sec. 1, effective July 15, 1980. -- Amended 1979 (1st Extra. Sess.) Ky. Acts ch. 25, sec. 1, effective February 13, 1979. -- Amended 1976 Ky. Acts ch. 315, sec. 1. -- Amended 1972 Ky. Acts ch. 285, sec. 1. -- Amended 1970 Ky. Acts ch. 249, sec. 1. -- Amended 1964 Ky. Acts ch. 141, sec. 39. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4114h-1, 4020a-1, 4022.

**Legislative Research Commission Note** (1/01/2006). This section was amended by 2005 Ky. Acts chs. 85 and 168, which do not appear to be in conflict and have been codified together.

**Legislative Research Commission Note** (6/20/2005). 2005 Ky. Acts ch. 168, sec. 170, provided: "Subsection (18) of Section 54 of this Act, relating to property tax changes, take[s] effect January 1, 2006. Subsection (19) of Section 54 of this Act, relating to the voluntary environmental remediation credit, takes effect January 1, 2005." Because of the order in which the subsections become effective, the Statute Reviser, under the authority of KRS 7.136, has codified subsection (18) of Section 54, relating to property tax changes, as KRS 132.010(19), and subsection (19) of Section 54, relating to the voluntary remediation credit, as KRS 132.010(18).